

EXHIBIT 32

In The Matter Of:

IN RE SEPTEMBER 11 LITIGATION v.

STEPHEN J. WALLACE

July 17, 2007

CONFIDENTIAL

TC REPORTING in Affiliation with Merrill Corp.,

25 West 45th Street - Suite 900

New York, NY 10036

PH: 516-795-7444 / FAX: 212-692-9171

WALLACE STEPHEN J. - Vol. 1

Page 103

12:26:41 1 STEPHEN J. WALLACE - CONFIDENTIAL

12:26:44 2 Q. I just asked a question. I have feelings,

12:26:49 3 too.

12:26:50 4 MR. CAMPBELL: We're going into

12:26:53 5 sensitivity training?

12:26:53 6 (Discussion off the record.)

12:26:54 7 BY MR. GRANITO:

12:26:56 8 Q. Did you ever prepare a kiosk for the

12:27:00 9 checkpoints that contained prohibited items such as

12:27:03 10 knives?

12:27:05 11 MR. CONNORS: Objection to the form of the

12:27:06 12 question.

12:27:06 13 A. No.

12:27:06 14 Q. Guns?

12:27:07 15 A. No.

12:27:07 16 Q. Mace?

12:27:07 17 A. No.

12:27:09 18 Q. Pepper spray?

12:27:10 19 A. No.

12:27:13 20 Q. Did there come a time -- strike that.

12:27:16 21 On May 11th, were you engaged in putting

12:27:17 22 this kiosk together --

12:27:17 23 A. Yes.

12:27:18 24 Q. -- at Logan?

25 A. Yes.

TC REPORTING in affiliation with Merrill Corp.,
(516) 795-7444

8397ef6a-4233-40e1-852a-f00e6d517dd1

Page 104

12:27:18 1 STEPHEN J. WALLACE - CONFIDENTIAL

12:27:20 2 MR. PODESTA: Let him finish the question.

12:27:20 3 THE WITNESS: Sorry.

12:27:21 4 BY MR. GRANITO:

12:27:25 5 Q. And did something occur at that time

12:27:27 6 pertaining to individuals?

12:27:28 7 A. Yes.

12:27:32 8 Q. Can you tell me what time it was that this

12:27:33 9 occurred, approximately?

12:27:40 10 A. Yes. It was -- it was -- it was between 8

12:27:44 11 and 9:30 in the morning.

12:27:46 12 Q. And where were you located specifically?

12:27:47 13 A. At that kiosk.

12:27:49 14 Q. And what were you engaged in doing?

12:27:53 15 A. I was -- I had boxes of items that I was

12:27:58 16 putting into the kiosk for the first time.

12:28:01 17 Q. And what drew your attention to these two

12:28:03 18 individuals, if anything?

12:28:08 19 A. Well, they were -- they were videotaping

12:28:12 20 and taking pictures, and talking fairly loudly on a

12:28:14 21 cell phone.

12:28:16 22 Q. And could you describe the two

12:28:17 23 individuals?

12:28:21 24 A. They were -- it was two men, medium

25 height, maybe even a little slightly less than medium

TC REPORTING in affiliation with Merrill Corp.,
(516) 795-7444

8397ef6a-4233-40e1-852a-f00e6d517dd1

Page 105

12:28:25 1 STEPHEN J. WALLACE - CONFIDENTIAL

12:28:31 2 height, dark complexion.

12:28:35 3 They were wearing shirts that reminded

12:28:40 4 me of Miami. One in particular, and I'm sure you've

12:28:45 5 seen them, like a cotton shirt with two embroidered

12:28:49 6 stripes. Like embroidered with -- not colored thread,

12:28:52 7 but like a thread that had, I don't know, like almost

12:28:56 8 like lace kind of stuff, but not feminine lace. Like a

12:29:03 9 masculine kind of, and they had, they had chino type

12:29:10 10 pants. And then they had shoes that were like basket

12:29:15 11 woven leather shoes.

12:29:17 12 Q. You said they were videotaping. What

12:29:19 13 specifically were they videotaping?

12:29:22 14 A. They were videotaping the checkpoint and

12:29:26 15 the FIDS monitor, the flight information display

12:29:29 16 screens.

12:29:31 17 Q. When they were speaking on the cell

12:29:33 18 phones, what language were they speaking in?

12:29:35 19 A. I believed it to be Arabic.

12:29:36 20 Q. Did you also believe the individuals to be

12:29:40 21 Arab? Middle Eastern?

12:29:42 22 A. I thought that they were Middle Eastern,

12:29:43 23 yes.

12:29:44 24 Q. Was there anything else that concerned you

25 concerning the two individuals during this time?

TC REPORTING in affiliation with Merrill Corp.,
(516) 795-7444

8397ef6a-4233-40e1-852a-f00e6d517dd1

Page 106

12:29:48 1 STEPHEN J. WALLACE - CONFIDENTIAL

12:29:48 2 MR. PODESTA: Object to the form. You can

12:29:49 3 answer.

12:29:52 4 A. They were taking pictures with disposable

12:29:53 5 cameras, also.

12:29:59 6 Q. Were both men using disposable cameras?

12:30:01 7 A. I -- I think one man was doing most of the

12:30:04 8 work.

12:30:06 9 Q. Did they have any luggage in their

12:30:07 10 possession?

12:30:07 11 A. Yes.

12:30:08 12 Q. What did they have?

12:30:12 13 A. They had a pilot bag, but you folks call

12:30:16 14 them litigation bags. Brand new.

12:30:18 15 Q. Did both men have the same pilot bags?

12:30:20 16 A. I only saw one pilot bag.

12:30:21 17 Q. How long did you observe the two

12:30:22 18 individuals?

12:30:24 19 A. About 45 minutes.

12:30:27 20 Q. Were they in your general location the

12:30:30 21 entire 45 minutes or did they move about the terminal?

12:30:34 22 A. I -- I had my stuff set behind the seats

12:30:39 23 right next to the kiosk, and they were on the same --

12:30:43 24 they were sitting on that group of five seats, but they

25 were down towards the end, so it was one, two seats and

TC REPORTING in affiliation with Merrill Corp.,
(516) 795-7444

8397ef6a-4233-40e1-852a-f00e6d517dd1

Page 107

12:30:47 1 STEPHEN J. WALLACE - CONFIDENTIAL

12:30:54 2 then -- and then their bag was in front of the third

12:30:54 3 seat.

12:30:57 4 Q. Did they stay in that general location for

12:30:57 5 a period?

12:30:59 6 A. No. They were moving around. The FIDS

12:31:03 7 monitors are on the other side of the door so they

12:31:06 8 would have had to walk approximately 35 feet.

12:31:08 9 Q. How close did they get to the checkpoint

12:31:09 10 during your observation?

12:31:13 11 A. They were to the -- to the actual

12:31:16 12 checkpoint or to the stanchions that led to the

12:31:16 13 checkpoint?

12:31:17 14 Q. To the stanchions that led to the

12:31:18 15 checkpoint.

12:31:20 16 A. They were always more than 25 feet from

12:31:22 17 those stanchions.

12:31:25 18 Q. How far are the stanchions from the

12:31:34 19 walk-through magnetometer?

12:31:41 20 A. Another 25 feet plus.

12:31:46 21 Q. Did -- during this 45 minutes, did you

12:31:51 22 have any conversation with the two individuals?

12:31:52 23 A. Yes.

12:31:53 24 Q. When was the first time you said something

25 to them?

Page 108

12:31:55 1 STEPHEN J. WALLACE - CONFIDENTIAL

12:32:00 2 A. As I was finishing up with the kiosk.

12:32:01 3 Q. How long had you had them under your

12:32:04 4 observation before you first said something to them?

12:32:08 5 A. About 40, 45 minutes.

12:32:10 6 Q. And I take it they had never said anything

12:32:11 7 to you during this time?

12:32:11 8 A. No.

12:32:13 9 Q. Did you approach them?

12:32:15 10 A. Well, it's not really approach them. They

12:32:17 11 were right there. But, we were in the same proximity.

12:32:24 12 Q. Why did you say something to them?

12:32:26 13 A. I was a little concerned about what they

12:32:27 14 were doing.

12:32:29 15 Q. Is it fair to say that it's not every day

12:32:33 16 that you would engage a customer in conversation at the

12:32:35 17 terminal at American Airlines?

12:32:36 18 A. No, I talk to people every day.

12:32:38 19 Q. Is it fair to say that it's not every day

12:32:40 20 you engage a customer in conversation because you're

12:32:43 21 concerned about their activities?

12:32:45 22 A. Not every day.

12:32:46 23 Q. Fair to say that the activities of these

12:32:50 24 two individuals were sufficiently suspicious that it

25 concerned you?

TC REPORTING in affiliation with Merrill Corp.,
(516) 795-7444

8397ef6a-4233-40e1-852a-f00e6d517dd1

Page 109

12:32:50 1 STEPHEN J. WALLACE - CONFIDENTIAL

12:32:51 2 A. Yes.

12:32:57 3 Q. And it was suspiciously consist -- it was

12:33:01 4 suspicious enough in your mind that you said something

12:33:02 5 to them?

12:33:03 6 A. Yes.

12:33:07 7 Q. And your concern was based upon, in part,

12:33:09 8 their surveillance of a security checkpoint area,

12:33:13 9 correct?

12:33:15 10 MR. CAMPBELL: Object to the form.

12:33:15 11 MR. CONNORS: Object to the form.

12:33:16 12 MR. PODESTA: Yes, I'll object to the

12:33:17 13 form, too. You can answer.

12:33:19 14 A. The fact that they were videotaping and

12:33:22 15 taking pictures in -- concerned me, yes.

12:33:24 16 Q. What did you say to them?

12:33:28 17 A. I said, "You guys don't have any of this

12:33:30 18 stuff in your bags, do you?"

12:33:31 19 Q. And what did they say?

12:33:37 20 A. They moved away from me, and one of them

12:33:42 21 said to the other, gesturing at me, called me a rather

12:33:45 22 nasty name in Arabic.

12:33:46 23 Q. Do you speak Arabic?

12:33:50 24 A. I swear in Arabic.

12:33:50 25 Q. I take it you swear enough in Arabic that

12:33:52 1 STEPHEN J. WALLACE - CONFIDENTIAL

12:33:54 2 you recognized this particular swear?

12:33:55 3 A. Yes.

12:33:58 4 Q. Did they say anything to alleviate the

12:34:00 5 concerns you had about their activities?

12:34:03 6 A. I became more concerned after I responded

12:34:06 7 to them in kind.

12:34:08 8 Q. At that point, what, if anything, did they

12:34:09 9 do?

12:34:10 10 A. They left.

12:34:13 11 Q. When you say they left, where did they go?

12:34:15 12 A. They moved away from me, packed their bag

12:34:17 13 and headed towards the south checkpoint.

12:34:18 14 Q. Did you follow them towards the south

12:34:19 15 checkpoint?

12:34:21 16 A. I would say I was within 5 to 10 feet of

12:34:23 17 them every minute they were walking.

12:34:25 18 Q. Did you try to keep them in your sight?

12:34:27 19 A. I had them dead center in my sight.

12:34:29 20 Q. You tried to keep them under your

12:34:30 21 surveillance?

12:34:30 22 A. I did.

12:34:32 23 Q. Did they reach the south checkpoint?

12:34:32 24 A. They did.

25 Q. What did they do next?

Page 111

12:34:34 1 STEPHEN J. WALLACE - CONFIDENTIAL

12:34:36 2 A. They got -- well, the whole time that I

12:34:38 3 was following them, they were watching me follow them.

12:34:43 4 Very nervous, like a kind of smile at me like they knew

12:34:45 5 I was there.

12:34:49 6 They got into the line. They had

12:34:55 7 tickets. They got into the line and started into the

12:34:55 8 checkpoint.

12:34:56 9 Q. And when you say "the line," you're

12:34:59 10 referring to the security line?

12:35:00 11 A. I'm sorry. Yes, the queue.

12:35:02 12 Q. At the south checkpoint?

12:35:02 13 A. Yes.

12:35:04 14 Q. And this would be for passengers departing

12:35:07 15 out of the south checkpoint on American Airlines

12:35:07 16 flights?

12:35:09 17 A. American Airlines and American Eagle.

12:35:11 18 Q. Did you have a walkie-talkie with you on

12:35:12 19 that day?

12:35:12 20 A. I did.

12:35:12 21 Q. At that time?

12:35:15 22 A. Yes, I did.

12:35:16 23 Q. Did there come a time when they passed

12:35:18 24 through the security checkpoint?

25 A. Yes.

12:35:19 1 STEPHEN J. WALLACE - CONFIDENTIAL

12:35:21 2 Q. What, if anything, did you do at the

12:35:23 3 security checkpoint with respect to these two

12:35:24 4 individuals?

12:35:26 5 A. Well, as I was approaching the security

12:35:30 6 checkpoint, I noticed a Massachusetts state trooper. I

12:35:34 7 spoke to the trooper, told him what I had observed, and

12:35:37 8 then I moved to the -- to the back of the x-ray

12:35:42 9 machine, to the operator of the x-ray machine, and told

12:35:46 10 the operator let me know if is there anything wrong

12:35:47 11 with these bags.

12:35:48 12 Q. Did you say anything else to the operator

12:35:51 13 other than "let me know if there is anything wrong with

12:35:52 14 these bags"?

12:35:54 15 A. Yes. Don't let them through if there is

12:35:54 16 anything wrong.

12:35:56 17 Q. Did you say anything else to the operator

12:35:57 18 other than that?

12:35:58 19 A. No.

12:36:00 20 Q. Was it important in your mind to advise

12:36:03 21 the state trooper of these concerns?

12:36:04 22 A. Yes.

12:36:06 23 Q. And you're sure you said something to the

12:36:07 24 state trooper at that checkpoint?

25 A. Yes, I did.

Page 113

12:36:08 1 STEPHEN J. WALLACE - CONFIDENTIAL

12:36:10 2 Q. What, if anything, did you say

12:36:13 3 specifically to the state trooper?

12:36:16 4 A. I said, specifically, these two clowns are

12:36:20 5 up to something. They've been taking videos and

12:36:24 6 pictures down at the checkpoint, down at the -- across

12:36:25 7 from the main checkpoint.

12:36:29 8 Q. Did you say anything else to anybody else

12:36:31 9 at the checkpoint at that time?

12:36:33 10 A. At the south checkpoint?

12:36:34 11 Q. Yes, sir.

12:36:36 12 A. No.

12:36:38 13 Q. And at that point, they cleared through

12:36:40 14 security and went on their way?

12:36:42 15 A. No. We stayed behind the x-ray and the

12:36:45 16 trooper was with me, and we watched their bags. I got

12:36:49 17 a radio call -- as they were clearing the first set of

12:36:53 18 magnetometers, I got a radio call and had to leave, and

12:36:59 19 I left the trooper there and went on the call.

12:37:00 20 Q. What was the call?

12:37:02 21 A. Something in the bag room.

12:37:04 22 Q. Do you recall specifically what it was?

12:37:07 23 A. No, but it was something that I was

12:37:11 24 specifically called for, so if it was a bag room issue,

25 it was either a sort controller or a programmable

Page 118

13:27:27 1 STEPHEN J. WALLACE - CONFIDENTIAL

13:27:28 2 A. I don't know that they were

13:27:29 3 American Airlines passengers.

13:27:32 4 Q. Had you ever made a derogatory comment to

13:27:33 5 individuals -- strike that.

13:27:35 6 Had you ever made a derogatory comment

13:27:37 7 towards anyone else in the American Airlines terminal

13:27:40 8 at Logan prior to that day?

13:27:41 9 MR. PODESTA: Including his coworkers?

13:27:43 10 Q. With the exception of his coworkers. The

13:27:53 11 general -- the general public.

13:27:53 12 A. No.

13:27:56 13 Q. I take it this was a very unusual event

13:27:59 14 surrounding these two individuals?

13:28:02 15 A. I was concerned, yes.

13:28:05 16 Q. Did they say anything else to you at any

13:28:08 17 time between when you first observed them and when they

13:28:10 18 went through the security checkpoint?

13:28:12 19 A. Not one word.

13:28:15 20 Q. Did you point out to any other

13:28:17 21 American Airlines employees or anyone else in the

13:28:21 22 vicinity of the kiosk these two individuals?

13:28:22 23 A. Yes.

13:28:27 24 Q. Who did you point the individuals out to?

25 A. There were two Massport employees

TC REPORTING in affiliation with Merrill Corp.,
(516) 795-7444

8397ef6a-4233-40e1-852a-f00e6d517dd1

13:28:33 1 STEPHEN J. WALLACE - CONFIDENTIAL

13:28:36 2 standing, sort of, as you face the exit lane to the

13:28:40 3 right of the exit lane, right at the corner of -- the

13:28:45 4 corner of the line defining the security checkpoint.

13:28:48 5 Q. And who were these Massport --

13:28:49 6 A. I don't.

13:28:51 7 Q. Let me finish. Who were these Massport

13:28:52 8 employees?

13:28:55 9 A. They -- all I remember about them was it

13:29:00 10 was a man and a woman, and they wore like an

13:29:04 11 electric-blue piece of clothing, like a shirt or a

13:29:08 12 blouse. I know they had a Massport badge on. They're

13:29:14 13 like -- I know they were like terminal managers.

13:29:18 14 Q. Had you ever seen them before?

13:29:22 15 A. I -- there's a lot of them. I had seen

13:29:25 16 people in that uniform before, but I don't know

13:29:27 17 specifically if I had seen them before.

13:29:28 18 Q. Did you know their names?

13:29:28 19 A. No.

13:29:30 20 Q. What did you say to them?

13:29:33 21 A. I said, there's two guys over there

13:29:38 22 videotaping and taking pictures and speaking in Arabic

13:29:40 23 to the -- on the telephone.

13:29:43 24 Q. Where were the Massport -- strike that.

25 You were both located at this point outside

Page 120

13:29:45 1 STEPHEN J. WALLACE - CONFIDENTIAL

13:29:47 2 the security checkpoint area?

13:29:47 3 A. Yes.

13:29:49 4 Q. And this is when you had walked over

13:29:50 5 following the two individuals?

13:29:51 6 A. No. That was -- that in the beginning,

13:29:56 7 when I first started loading the kiosk up.

13:29:59 8 Q. Okay. So, I'm sorry, I misunderstood you.

13:30:01 9 When you had this conversation with the two individuals

13:30:02 10 from Massport --

13:30:02 11 A. Yes.

13:30:04 12 Q. -- where were they located with respect to

13:30:05 13 the kiosk?

13:30:10 14 A. They were -- they were 25 feet in front of

13:30:13 15 it and slightly to the left of it.

13:30:15 16 Q. And how far were they from the security

13:30:15 17 checkpoint?

13:30:17 18 A. They were right at the corner of the

13:30:20 19 security checkpoint. Right -- right where the office

13:30:24 20 used to be, there was a glass block office. They were

13:30:26 21 right by that glass block office.

13:30:28 22 Q. And did you leave your location at the

13:30:30 23 kiosk to walk over and specifically talk to them?

13:30:30 24 A. Yes.

13:30:30 25 Q. Were you following the two individuals at

Page 121

13:30:32 1 STEPHEN J. WALLACE - CONFIDENTIAL

13:30:35 2 this point or did you walk over to specifically talk to

13:30:35 3 the Massport --

13:30:37 4 A. I walked over specifically to talk to the

13:30:38 5 Massport people.

13:30:41 6 Q. And what did they say when you relayed --

13:30:43 7 what did they say when you relayed that information to

13:30:44 8 them?

13:30:47 9 A. They said -- they said, no, they're not

13:30:50 10 speaking Arabic. They're speaking Portuguese. They're

13:30:50 11 okay.

13:30:51 12 Q. And what did you say?

13:30:52 13 A. I didn't say anything.

13:30:54 14 Q. You knew they weren't speaking Portuguese?

13:30:54 15 A. Yes.

13:30:56 16 Q. You knew they weren't okay, correct?

13:30:58 17 A. I -- I -- I --

13:30:58 18 MR. PODESTA: Object to the form.

13:31:01 19 Q. And you knew in your mind they were not

13:31:02 20 okay, correct?

13:31:04 21 A. I can't use those words, "not okay." I

13:31:05 22 can't say correct to that.

13:31:07 23 Q. But, you would agree with me,

13:31:11 24 notwithstanding what the individuals from Massport may

25 have said to you, you were still concerned about these

Page 140

13:50:15 1 STEPHEN J. WALLACE - CONFIDENTIAL

13:50:16 2 photographing in the terminal, specifically what were

13:50:19 3 they taking pictures of?

13:50:20 4 MR. PODESTA: Asked and answered.

13:50:21 5 MR. GRANITO: I think what we asked is the

13:50:24 6 videotape, not the Polaroid camera.

13:50:25 7 A. They were taking pictures of the

13:50:32 8 checkpoint and the FIDS monitors.

13:50:34 9 Q. Did you positively identify one of the

13:50:41 10 individuals as the terrorist Atta?

13:50:42 11 A. When?

13:50:44 12 Q. When you were shown the photographs by

13:50:47 13 either the FBI agents or ATF.

13:50:48 14 A. Yes.

13:50:50 15 Q. And would the first identification have

13:50:52 16 been with the FBI agent --

13:50:52 17 A. Yes.

13:50:55 18 Q. -- on September 12th?

13:51:40 19 A. Yes.

13:51:42 20 Q. I'd like to show you what we've marked for

13:51:49 21 identification as Exhibit 27, and ask you to take a

13:51:51 22 look at that, Mr. Wallace.

13:51:53 23 Let me know if that was one of the

13:51:58 24 individuals you identified to the FBI as having been at

25 the airport on May 11th conducting surveillance.

TC REPORTING in affiliation with Merrill Corp.,
(516) 795-7444

8397ef6a-4233-40e1-852a-f00e6d517dd1

13:52:01 1 STEPHEN J. WALLACE - CONFIDENTIAL

13:52:04 2 A. Yes. That's Mohamed Atta.

13:52:05 3 Q. No doubt in your mind?

13:52:09 4 A. No doubt in my mind.

13:52:12 5 Q. You also identified one other person

13:52:15 6 through the picture array as having been at the airport

13:52:17 7 on May 11th conducting surveillance?

13:52:21 8 A. Yes.

13:52:23 9 Q. I'd like to show you what we have marked

13:52:26 10 for identification as Exhibit 29, and ask if that is

13:52:30 11 the individual who you identified for the FBI?

13:52:33 12 A. I would want to see them all together.

13:52:36 13 Q. Sure. I'll provide you with Exhibit 28

13:52:46 14 and 31.

13:52:47 15 MR. PODESTA: Do you have any other

13:52:50 16 photographs?

13:52:51 17 MR. GRANITO: We're working.

13:52:53 18 MR. PODESTA: I mean do you want him to

13:52:56 19 look at a comprehensive array or what is your --

13:52:57 20 MR. GRANITO: To see who he -- who it was

13:53:00 21 that he identified as the second individual on

13:53:01 22 May 11th.

13:53:07 23 BY MR. GRANITO:

13:53:08 24 Q. Is the second individual --

25 A. There is more.